

# **The U.S. Sleep Market:** **A Market, Competitive & Operating Analysis**

**(April 2018)**

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- Glossary of sleep disorder terms
- List of major private & public sector information source used

### **Executive Overview of Major Findings**

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#### **- Highlights of ALL study chapters:**

- Market definition and scope: mkt. segments included
- Scope of **sleep deprivation in America**: prevalence rates of insomnia, causes, no. of sleep disorders, description of most common sleep disorders, NSF vs. other polls.
- Nature of the field of sleep medicine and somnology: history/evolution of **sleep labs**, number, multiple-site chains, mkt. size 1997-2023 F
- Why drug companies play a major role in publicizing sleep disorders and creating demand for Rx **sleeping pills**, mkt. size 1997-2023 F
- Size and nature of the **mattress & pillows** market, new technologies, mkt size
- Obstructive sleep apnea market: why **CPAP device** potential is huge and largely untapped, mkt. size 1997-2023 F
- **Major Market Trends**: discussion of... sleep lab reimbursement and consolidation, home test market, decline of Rx sleep medications mkt. due to generics, growth of OTC meds, mattress mkt. technology and distribution disruptions.
- Market Size & Growth, Market Segments: Total mkt. value, effect of recessions, 2007 performance, 2018 & 2023 forecasts

#### Tables:

- Total size of U.S. sleep market, by mkt. segment: 1995-2023 F, annual percent chg.
- Mattresses market: 1995-2023 F
- Pillows market: 1995-2023 F
- Sleep Labs/centers: 1995-2023 F
- Rx and OTC sleeping medications market: 1995-2023 F
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### **Demographics of Persons With Sleep Disorders**

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- Scope of affected population: no. and type persons with... insomnia, sleep apnea, narcolepsy, restless legs syndrome, no. of children, women, seniors with sleep disorders
- Findings of Natl. Sleep Foundation's "Sleep in America" poll
- No. of hours of sleep daily, by race (Natl. Health Interview Survey)
- Prevalence of sleeping problems by major countries, U.S. vs. Europe, Japan
- CDC data/research confirms Americans' lack of sleep: causes
- Findings of Marketdata mail survey of sleep labs: patients by age, sex.

## **Market Size & Growth**

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- Market Definition & Scope: the markets comprising total sleep market

### Discussion & Outlooks for the Major Market Segments: 2016-2017 performance, 2018 & 2023 Forecasts, Factors Affecting Demand, Key Indicators

- The **Mattresses** Market
- The Sleep **Pillows** Market
- The **Sleeping Medications** Market
- The **Sleep Labs** Market; effect of CMS ruling, avg.
- The **Sleep Apnea Devices** Market (effect of CMS ruling, home testing)
- The **Retail Sleep Aids** Market (overview of sleep lamps, sound machines, earplugs, sleep pods, smartphone apps, etc.)

### Tables

- Size of U.S. sleep market, by segment: 1995-2023 F (mattresses, pillows, sleep lab operations, Rx/OTC sleeping pills, CPAP devices, retail devices & services)
- Total U.S. sleep market value, annual % change: 1995-2023 F
- Sleep pillows sales: 1995-2023 F
- Prescription anti-insomnia drugs sales: 1995-2023 F
- Sleep Labs revenues, no. of labs, annual % change: 1995-2023 F
- Sleep apnea devices (CPAPs) sales: total, ResMed. Respironics: 1995-2023 F

## **Sleep Labs Market**

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- What are sleep labs, how many?, evolution & nature of the field, polysomnograms test description, accredited vs. non-accredited centers
- Launching a new sleep lab – the process/key considerations, capital needed, choices for hospital or MD affiliations
- The effect of Medicare approval of home tests: discussion, type of devices
- What patients can expect at a sleep lab: type tests (PSGs, split night studies, MSLTs, CPAP titrations), role of sleep techs, follow-up
- How to find A sleep lab
- **Market Size & Growth:** 1995-2016 Estimates, 2018 Forecast, reasons for Closures/consolidation, reimbursement issues, major problems labs face, long-term Outlook.
- 2014-2018 quarterly surveys of sleep lab metrics: patient volume, bed count (Needham & Co.)

### Tables

- Sleep Labs revenues, no. of labs, annual % change: 1995-2023 F

### Results of Past Marketdata U.S. Sleep Labs Survey

- Type of sleep lab (percent of total: hospital-based, practice-based, university-based, independent / free-standing)
- Average number of PSGs (sleep studies, CPAP titrations and MSLTs) performed in 2006, 2007
- Average number of beds operated and average days/nights per week operated
- **Number of patients** the sleep lab would be able to test/titrate per week

if operating at 100% occupancy, 7 days/nights per week (average)

- List of Sleep centers' **biggest issues** or problems
- Expected effect of March 14 decision by CMS to provide Medicare reimbursement for home sleep studies using portable devices to have on their lab's future
- **Average fees** a sleep lab charges for: PSG sleep study, CPAP titration study, MSLT
- **Reimbursement** – avg. amount a sleep lab receives for: PSG sleep study, CPAP titration study, MSLT
- Percentage of a sleep lab's total sleep diagnostic revenue that comes from: commercial insurance, Medicare/Medicaid, patients
- **Average sleep lab's diagnostic revenues in 2007**
- Whether sleep labs have an affiliated company that provides PAP set-ups for their patients and generates sleep therapy revenues, number of PAP set-ups performed in: 2006, 2007
- **Whether economic recessions affect a sleep lab's business?**
- Percentage of a sleep lab's patient base that is male vs. female
- Age of a sleep lab's most typical patient (% by age class)
- The contributing factors to a sleep lab patients' sleep disorders (% by type: obesity, large neck size, nasal/airway obstructions, etc.)
- Percentage of sleep labs that treat these disorders: sleep apnea, insomnia, restless leg syndrome, narcolepsy, periodic limb movement
- Whether sleep labs collect outcome data

Competitor Profiles (description and history of company, no. of labs operated, address, specialties, acquisitions, services, financials when available)

- **SleepMed, Inc.**
- **Sleep Holdings**
- **Foundation Surgery Affiliates, LLC**
- **Novasom**
- **Nocturna Sleep Center**

Sleep Lab Technicians Salary Trends

- Descriptions of the major staff positions, training required (sleep tech, technologists)
- Findings of Sleep Review Magazine's salary survey, average salary and ranges for: RPSGTs, sleep techs, respiratory therapists, sleep physicians, sleep center directors, supervisors, managers: by tenure, by day/night shift, by age (2015 vs. 2007)

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- Salary by job title, by region: - 6 staff positions

**Sleep Medications Market**

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- Summary: discussion of number of prescriptions written, mkt. potential, prime drivers of mkt. demand, performance of Belsomra
- Hurdle to overcome: past negative image of sleeping pills, long-term use, FDA fears vs. drug company efforts
- Advertising drives consumer demand: amount spent advertising the top 3 brands, Sanofi's success with Ambien
- Research - New meds on the horizon: **Ramelteon** (Takeda), **Provigil** (Cephalon), **Silenor** (Somaxon), **Volinanserin** (Sanofi) - discussions of their usage/how they work, \$ potentials, FDA approval status, setbacks for **Indiplon** (Neurocrine)

Biosciences) and **Gaboxadol** (Merck)

- Description of the major Rx sleeping Pill Brands (Ambien, Lunesta, Rozerem, benzodiazepines, melatonin receptors, antidepressants)
- OTC Retail Sleeping Pills: discussion
- **Market Size** - A Mature Market: sales of major brands, outlook, 2023 Forecast, rationale for future growth.

#### Tables:

- sales of prescription and retail anti-insomnia drugs: 2002-2023 forecast
- sales of prescription anti-insomnia drugs, by brand
- sales of Ambien, Ambien CR: 1998-2008 (in Euros and dollars)

### **The Sleep Apnea Devices Market**

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- Summary - Background of Sleep Disordered Breathing: mkt. penetration in U.S. vs. abroad, estimates of mkt. size by industry analysts/competitors
- Product Definitions: **CPAPs** (continuous positive airway pressure devices), types of masks & mouthpieces used
- Market Trends: the home test mkt., comments by Wachovia analysts regarding potential and uncertainties in view of CMS ruling, move to smaller devices
- **Market Size**: likely effects of CMS ruling, estimates of growth rates in U.S. vs. Globally, Marketdata forecasts for 2008, 2012, positives/negatives
- The Major Respiratory Equipment Device Competitors: address list.

Competitor Profiles (company descriptions, divisions, specializations, 2015-2017 revenues, outlooks)

- Resmed
- Respironics

#### Tables

- Sleep apnea devices (CPAPs) sales: total, ResMed. Respironics, other companies: 1995-2012F

### **The Mattress & Pillows Market**

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- Summary & Status of the market: a steady replacement business, new technology And sales/distribution outlets, e-commerce, bedding retailers disruption.
- **Market Size & Growth**: 2016-2017 performance, ISPA industry wholesale shipments, 2017-2018 outlook by ISPA, retail sales forecast, 2023 Marketdata forecasts, effects of housing slump
- Differences in mfg. technologies used by the major mfrs., visco, latex
- List and sales of top 5 bedding retailers
- The Ultra-premium mattress market: growth rate, % of sales, Vividus, Hypnos Beds

Competitor Profiles (company description, capabilities, specialties, historical revenues, mergers, mkt. share, distribution, outlooks, recent financials, etc.)

- **Tempur Sealy Intl.**
- **Sleep Number (formerly: Select Comfort)**
- **Simmons Serta**

### The Sleep Pillows Market

- Discussion of new pillow designs, materials, pricing, mkt. trends
- The Sona pillow
- Estimated retail market size: 1997-2023 F

### Tables

- U.S. WHOLESALE sales of mattresses & foundations, % change, **units**: 1987-2017
- U.S. Wholesale sales of mattresses & foundations, % change, **dollars**: 1987-2017
- Non-innerspring mattress unit and dollar shipments
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### **Retail Sleep Devices Market**

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- Summary
- **Sleep Lamps/Light Therapy Market**: use for seasonal affective disorder, dawn simulation, evolution of "light boxes", mkt. status & leading mfrs., mkt. size, list of 9 major competitors, Company Profile: Apollo Health
- **Sound Machines/White Noise Machines Market**: use and technology, applications, history of development, emergence of Marpac as industry leader, list of catalog retailers selling machines (Brookstone, Hammacher Schlemmer, etc.), market size/growth.
- **Eye Shades and Sleep Masks**: leading competitors (Dream Essentials)
- **Earplugs Market**: mkt. size, leading mfrs./distributors/retailers
- **Sleep Pods**: Yelo & MetroNaps sleep lounges appearing in metro markets
- **Sleep/Insomnia Books Market**: list of titles
- **Sleep apps** for smartphones, leading apps
- Miscellaneous Retail Products & Services: how hotels & spas are making rooms "sleep friendly" – examples of programs/services offered.

### **Reference Directory of Sleep-related Trade Groups, Experts, Journals**

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- List of sleep market national/regional trade associations, journals, consulting firms, brokerage analysts, other key contacts – address & phones, description of activities.
- Profiles of Michael J. Breus, Ph.D. and Duane M. Johnson, Ph.D.